POLICY AND PROCEDURE

PURPOSE:
The purpose of this policy is to ensure compliance with the standards set forth in the Federal Office of Management and Budget 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Federal and State regulations, and sponsor-specific requirements. This policy provides guidance, which will assist University of Georgia (UGA) personnel proposing, performing, and managing sponsored activities. Direct costs on sponsored projects must be allowable, allocable, and reasonable.

Failure to comply with UGA policies and procedures may result in audit findings, suspension of sponsored activities, closer monitoring by the sponsor, delays in final payments, and/or other enforcement actions imposed by the sponsor. This policy applies to all Federal and non-Federal sponsored activities, including all externally funded activities.

SCOPE:
All UGA personnel must be aware of the complex and detailed rules provided under Federal and State regulations, as well as terms and conditions of individual sponsored activities.

POLICY:
Sponsored projects will comply with all applicable Federal, State and/or sponsor-specific policies pertaining to technical, financial, and administrative reporting requirements (interim and final), as well as closing out sponsored projects in a timely fashion and in accordance with the sponsor’s terms and conditions. The timing and details for such reports are specified in the award document and/or the sponsor’s website.

All sponsored project activities must be formally closed out as soon as possible after the project end date to ensure all expenses posted to the project are allowable, no additional charges are posted, all payments are received, and required reports are submitted. There are occasions when sponsored projects must be closed prior to the project/budget end date. In these cases, the Principal Investigator (PI)/unit is responsible for notifying Sponsored Projects Administration (SPA) when projects are ready to be closed out.

Proper project closeout includes completion and submission of all technical, financial, and administrative deliverables, collection and reconciliation of accounts receivables, and confirmation of appropriate record retention measures. To ensure UGA files contain copies of all required technical and administrative reports, copies of these reports must be submitted to Sponsored Projects Administration (SPA) via the Grants Portal. In addition, for any activities with residual balances, please refer to the Fixed Amount Award - Residual Balance Policy.
Funds may not be obligated after the termination date of the sponsored project. Any purchase orders for supplies, or other materials or services must be executed and received prior to the close of business on the final day of the award performance period (budget period) and be authorized, allowable and necessary for the completion of the project consistent with the Direct Cost Policy.

**DEFINITIONS:**

*Department Administrator* has responsibility for assisting PIs in discharging their monitoring responsibilities, for reviewing invoices from subrecipients, and seeking clarification on questionable expenditures, if/when necessary, and for maintaining appropriate documentation.

*Direct Costs* are reasonable, allowable, and allocable. They can be easily identified with a specific sponsored project and can be directly assigned based upon proportional benefit with relative ease and a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct cost or indirect costs. Typical costs charged directly to sponsored activities include personnel (salaries and fringe benefits); materials and supplies; scientific equipment; travel; and other expenses necessary to conduct the sponsored activity.

*Indirect Costs* (Facilities & Administrative) are costs incurred for a common or joint purpose benefiting more than one activity/project and therefore, cannot be easily and readily assignable. Indirect Costs include the costs of operating and maintaining general-purpose equipment and facilities, general administration (human resources, departmental administration, procurement, accounting, and sponsored project administration) as well as general expenses (general-purpose supplies, postage, telephones, and other office equipment).

*Principal Investigator (PI)* has primary responsibility for overseeing the scientific and financial aspects of a sponsored project including monitoring subrecipients to ensure compliance with Federal regulations regarding both prime and subrecipient award terms and conditions.

*Sponsored Projects* are externally funded activities that must be separately budgeted and accounted for according to terms of the sponsoring organization, State regulation, and UGA policy. Sponsored Activities are provided through grants, contracts, and agreements with any Federal Agency, State Agency, or non-Governmental Organization that supports research, training, instruction, public service, and other activities.

*Sponsor-specific Requirements* include requirements stated within the sponsor rules/regulations, funding opportunity announcement, award/grant or contract/agreement and amendments.

**PROCEDURE:**

1. PI/unit must monitor all active sponsored projects and their interim and final technical, financial, and administrative reporting requirements to ensure all requirements are accurately met on time.
   a. PI/Unit/SPA will collaborate on financial reports.
      i. PI/unit must ensure all direct costs are charged to the sponsored project consistent with the UGA Direct Cost Policy.
      ii. PI/Unit are encouraged to utilize the Proactivity for Budget Year/Award Closeout Tool to verify expenses.
iii. SPA Post Award will request verification of interim/final expenses from PI/unit personnel. If adjustments are required to accurately reflect project activity, PI/unit personnel should refer to the Adjustments on Finals Policy for guidance.

iv. PI/Unit must clear deficits on the sponsored project within 30 days once the financial report has been submitted to the sponsor.

v. SPA Post Award will issue financial reports based upon the general ledger activity at the close of an interim and/or final budget period, consistent with established financial reporting, and account close out procedures. The UGA Financial Management System represents the official record supporting any invoice, voucher or financial report issued.

vi. SPA will submit all financial reports to the Sponsor. On the rare occasion where financial reports must be submitted to the sponsor by the PI/Unit, SPA must review and approve the financial report for submission.

vii. SPA Post Award will collaborate with the PI/unit if/when the sponsor requires supporting documentation and/or technical data to be included with the financial reporting.

b. PI/Unit must ensure all Payroll Certification reports are reviewed and approved on time pursuant with the Compensation & Payroll Certification Policy and Compensation and Payroll Certification Job Aid.

c. PI is primarily responsible for interim and final Technical Reports.

d. PI/Unit/SPA/Innovation Gateway will collaborate on Invention/Patent Reporting.

e. PI/Unit/Asset Management will collaborate on Inventory Reporting.

f. PI/Unit/Procurement will collaborate on Small Business Reporting.

g. For any other reporting requirements, PI/unit will consult with SPA.

2. PI/unit must provide a copy of all technical and administrative reporting to SPA for the official files.

3. At the conclusion of a sponsored project, certain fixed price or fee for service projects may qualify for an extension under the Fixed Amount Award - Residual Balance Policy. Please review this policy for additional information.

4. In cases where the PI will be leaving the University of Georgia, all the above must be completed for both active and recently closed sponsored projects prior to the PI’s last day at UGA. In addition, please refer to the Sponsored Project Transfer Policy for additional information.

RESOURCES:
2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Sponsored Projects Administration
UNIVERSITY OF GEORGIA

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